

## ***Transcript - April 1 AmeriCorps Rulemaking Session***

### AMERICORPS RULEMAKING SESSION

APRIL 1, 2004

### CONFERENCE CALL

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COORDINATOR Hello and welcome to the Rule Making conference call. All lines will remain in a listen only mode until the question and answer session. This conference call is being recorded for transcription purposes.

I'd now like to turn the conference over to your host for today, Mr. David Eisner. Sir, you may begin.

D. EISNER First of all, of course, we're actually not doing questions and answers so much as we're taking statements. Jesse, you're still there, right?

COORDINATOR Yes, sir. I am.

D. EISNER What I'd like to do at this time, so that we know how many folks on the call would like to make a statement, is if everyone that is interested in making a statement on this call would please star one so that we can get a count of how many speakers we have, that would be terrific.

COORDINATOR Sir, we have a total of eleven. Did you want me to go ahead and open up the line one at a time?

D. EISNER I want to talk just for a couple of minutes and introduce the folks here. Then we'll do that later.

COORDINATOR All right, sir.

D. EISNER First of all, I want to let you know that in the room we have with me Rosie Mauk, the director of AmeriCorps; Frank Trinity, our general counsel; and Susannah Washburn, who has been putting a lot of our rule making events and activities together. I want to thank everyone for joining to be part of this discussion. I know that it's a hectic time. We've had a very productive set of events and calls so far. I'm leaving tonight for Dallas, which will be the fifth and final public comments period on the road. This is, I believe, the third of our telephonic rule making sessions. What we're really trying to do is listen as much as possible and get your comments as quickly as possible. If it's okay, I'll take just a minute to set the scene.

It's no secret to anyone that this has been an extremely challenging year. We emerged from 2003 with many of our grantees in very difficult situations. At the same time, and

partly because of our difficult 2002 and 2003 work, we also emerged into 2004 with a very powerful set of opportunities. We have the largest funding increase in the history of the AmeriCorps program, an historic 2004 budget that will support 75,000 AmeriCorps members, and paradoxically, we've got, right now, greater bipartisan support for the program and stronger public awareness than we've ever had. Our job at the corporation is to do what we can to take advantage of this wind in our sails and to build momentum moving forward, even as we move out of the period of crisis.

One of the important things that we have to do in order to do that is go through this rule making process, or what some people refer to as a reform process. Everybody understands that over the past several years debate over issues like sustainability and cost per member, matching requirements, performance measures, volunteer generation and some others, have created an annual uncertainty for our grantees, as they try to figure out from year to year what will be the requirements and expectations on our grantees, what will be our cost per FTD, what will be the matching requirements. That uncertainty has been disabling, not only in terms of their internal planning processes and their ability to build and scale their programs, but also in terms of their partnerships, connecting with organizations who are also questioning what is the ongoing commitment of the program.

Then finally, every single year, because of these issues of federal share and sustainability and some of these other hot button issues, we end up in an appropriations discussion, where often the very existence of the program is an issue. We believe that it's time to address these issues to ensure that our grantees can look to the future with a clear understanding of stability, predictability for the program and the requirements and restrictions on grantees and what capacity we'll have to provide support.

At the same time, our board of directors has directed us to do rule making. The president, in his executive order, has directed us to do rule making and laid out some of the priorities, and Congress, in its '04 appropriations, has directed that we do rule making this year. We intend to complete this in time for these rules to be applicable for the '05 grant cycle. However, it's also clear that these are very complex issues, where reasonable people can disagree about important aspects, and we didn't think, at the corporation, that we would really have the ability to sit down and draft something. Although the normal rule making process is first the agency would draft rules and put them out for public comment, and then finally edit them into final rules, we felt it was much more appropriate to engage in an informal pre rule making process, where we got as many thoughts and ideas and concerns as we could from our various stakeholders, so that our draft rules could be as good as possible on the first blush and address as many issues as possible.

That's where we are today. I understand, and I think our entire team understands, that it's often difficult to respond and to provide ideas when there's no actual draft to respond to, however, we appreciate the fact that so many of our grantees and state commissions and other stakeholders are providing this input now, even before there are draft rules, because once the draft rules are in place, we'll have a lot less flexibility in terms of how we engage our stakeholders. We won't be able to call folks up after they testify, and say what did you mean by that? We won't be able to ask about different ideas. We'll have to complete a comprehensive record of all of our discussions, number one; and number two, we're not going to have an opportunity after the draft rules are in place to try to draft new things. It's very unlikely between the draft rules and the final rules, that you'll see the insertion of completely new frameworks or completely new

ideas, because it could potentially be a high risk to end up with final rules that no one has responded to.

So with all of that being said, we really appreciate everyone's comments. We also appreciate the folks who are just listening to make sure that you understand what the comments are and how we're moving forward and participate in a discussion. So what I'll do is turn it over to Rosie to walk through what the issues are and then Rosie and I will work with Jesse, on the phone, to go through our comments.

R. MAUK      Good afternoon, everyone. I presume that you all have looked at the materials on our Web site. If you haven't, I encourage you to do that as soon as the call is over. You can download those materials. If you have you'd see that we have put out there seven issues that we'd like you to consider, and I'm going to walk you, very briefly, through those and then tell you some of the reasons why these are issues for us.

The first one is a very general question, and that is, as AmeriCorps continues to grow, what changes can you identify to make the program more efficient and effective? Our board asked us, over a year ago, to greatly streamline our annual guidance by converting appropriate application guidance and provisions into regulations. So with that, anything that maybe isn't covered in some of these other areas, we'd love to hear from you about.

Sustainability, a few questions: how can the corporation and the field achieve the right balance of federal and private support? To what extent should the level of corporation support for a program or project decrease over time? Or, how can the corporation further support and encourage greater engagement of Americans in volunteering? Our board and our appropriators have asked us to define sustainability and Congress has said that the corporation may establish policies and procedures to set limits on the number of years recipients may receive assistance to carry out a project. Increased match requirements and implement measures to determine whether projects are generating sufficient community support.

In regards to the federal share, should the corporation calibrate matching requirements to reflect the differences among programs? Should the corporation adopt matching requirements for member related costs that are different from requirements for other program operation costs?

The timing of our grants: does the current time frame for awarding grants work, and what improvements can be made? Our board of directors have asked us to consider shifting our grant calendar back, and our appropriators have said to us that they encourage the corporation to consider a change to the grant cycle so that grant awards can be made to recipient organizations before the organization recruits members to fill awarded slots.

Regarding our selection criteria: what criteria should the corporation use in selecting programs and how can the corporation streamline its grant making application process for continuation applications? Our appropriators have said that the corporation should ensure that priority is given to programs that demonstrate quality, innovation, and sustainability.

We'd like you to consider how we address the performance measurement and evaluations. We've been asked by both the executive order of the president if we were

encouraged that national and community service programs should adopt performance measures to identify those practices that merit replication and further investment, as well as to ensure accountability.

Qualifications for tutors: Again, the White House and the executive order have said national and community service programs based in schools should employ tutors who meet required paraprofessional qualifications and use such practices and methodologies as are required for supplemental educational services.

These are some of the key areas that we would like you to consider if you're addressing us, and again, I encourage you to go to our Web site and have you look at the issues that we have listed in the federal register. With that, are you going to ...?

D. EISNER I guess before turning it over to comments I should reiterate that at this point there's no ... determination. We are completely committed to having the process be as open and fair as possible, we're committed to the outcome being equitable, and we have not determined, in any way, what the outcome of the entire, or portions of this rule making, will be. We do know, however, that we will issue rules that will address the core issues that we're focused on, that Rosie has just gone through, and there are many, many different ways to get that done.

So with that, Jesse, I'll open it for statements.

COORDINATOR Yes, sir.

D. EISNER I think we're limiting our statements to four minutes each.

COORDINATOR All right, sir. We do have our first statement coming from Reuben Carlisle.

R. CARLISLE Mr. Eisner, hi. My name is Reuben Carlisle. I'm a representative of the private sector. My background is in the cellular phone industry. I also happen to be here in Seattle, the chair of the board this year for Citiyear. I waited for about three hours at the Seattle meeting, sorry, I wasn't able to stay until the end, which I was ..., but I appreciate your visit out here very much.

D. EISNER I apologize that you weren't able to ...

R. CARLISLE No problem. The issue that I'd like to address is the relationship with the private sector. You've talked throughout both the president's executive order and a lot of the language, about encouraging innovation, encouraging partnerships, and trying to put restrictions and guidelines upon the federal share of AmeriCorps dollars. But what is troubling to me about this situation is that, in my view, the current program provides very little, if any, actual incentive or structure or program to actually encourage and engage the private sector. I think that there's reliance upon the second issue that you've addressed, in terms of the executive order, talking about increasing responsiveness to state and local needs and making federal support more accountable and effective. The challenge that I have with this, and what I encourage you to do, is to look at the issue of how the private sector tries to encourage innovation and responding to local needs.

One of the things that I would hope that you would consider would be creating almost like a venture capital fund, creating a special fund that innovative programs that are trying to do some bold things have the opportunity to apply directly for some resources in a multi-year way. The example that I'd like to point out to you is last year we here in Seattle worked very hard to create a partnership within the foster care community. Last year 10% of the core members from the Citiyear core were folks who had recently left the foster care system. So, as you can imagine, the racial, social and economic diversity issues were compounded in a very positive way, but the challenge to our core and challenge to the staff was very compelling, in that a lot of those people needed extra services and needed extra support.

The fundamental problem that I have with some of the implications of the rule making is that in trying to standardize the per core member fee, in trying to cut programs off after "x" number of years, what you really do is you discourage innovation, you discourage risk taking. I don't think that there's any program in the country that is going to actively go out and say, let's try to get some of the 25,000 young people in this country who ... the nation's foster care system every year, and try to get them engaged in national service. Why? Because they often have higher requirements of social services, they need some counseling during the year, they might need some housing support and other types of core infrastructure. So, I'm deeply troubled by this idea that there should be a blanket flat rate everywhere and there should be, in effect, a disincentive for programs to be bold in reaching out to very difficult or less traditional audiences and members of the core, as well as audiences that they serve, in terms of programs.

Another issue I'd like to address is the sustainability issue. In terms of the private sector, I look simply at what the federal government chooses to do in encouraging employers to support National Guard membership. The advertising that they do, the support that they provide for companies is pretty substantial. The support that companies are provided, in terms of asking members to put any time into volunteering or in terms of hiring former AmeriCorps folks and things like that, is miniscule. So I would suggest that, Mr. Eisner, you have a private sector background, that there's something really missing in this rule making, and that is a very substantive appreciation for the fact that to engage in the private sector, to encourage innovation and risk taking, you've got to have incentives, a carrot as well as a stick. I would hope that in the rule making that you guys would drill down a little bit more thoughtfully as it relates to what the private sector needs to step up to the plate, and of course the philanthropic community as well.

Then I think finally is the issue of the tutoring qualifications. This is my own personal view on this thing, is that I think it's a terrible, terrible mistake to go down this path. I think the fundamental reason is, again, from a private sector perspective, is that it's an input and not an output. You're not focusing on results, you're not focused on deliverables and results in and of themselves, you're focusing on the input that people bring to the table, and I think that in terms of senior citizens and other folks, that that's a disincentive. My grandfather only went to school through the fourth grade and yet tutored children for the last 25 years of his life, part time when he was retired. He didn't have any degree at all, but he could do math calculations in his head that would blow you away. So my point is that I think that that is a big mistake because in and of itself it is only an input.

The last issue that I would note is that I think the match requirements and the per core member issues are fundamentally punitive, in the sense that you're not looking to create

partnerships with the private sector in a way that's going to get them engaged to want to step up to the plate. I think the local match that's often provided, the non-federal match, often comes from local school districts and other local government entities. I'd like to see a higher and higher percentage of that coming from the private sector and the philanthropic community, and I simply don't see that happening.

D. EISNER     You're at about six minutes. I've been letting you go because you keep saying "and the last thing is."

R. CARLISLE         My apologies. Thanks for your time.

D. EISNER     Do you want to say two more sentences?

R. CARLISLE         I just thank you guys for doing this. I appreciate it very much. Like I said, I apologize. I wasn't able to wait ... Seattle time.

D. EISNER     Well, I'm very grateful that you chose to call. You've given us a lot of good fodder. If there are other things that you'd like to send us, please send it in writing. It doesn't need to be formal.

R. CARLISLE         Yes. I appreciate that.

D. EISNER     Thank you.

R. CARLISLE         Thank you.

COORDINATOR     Sir, we have next Allison Carpenter.

A. CARPENTER        Thank you. I'm actually here with Jennifer Mendelson, and we too are both from Citiyear. We are staff here. We've been with Citiyear for a long time, pretty much on the technical end of grant administration. So we've tried to sort of tailor our comments to that for the call.

First of all, we would like to, again, add our thanks, deep thanks for this process and for giving us some space and time to lay out some of our concerns. We really appreciate your extremely hard work around all of this.

I'll try to summarize our issues that we wanted to touch one. One has to do, I would think, with federal share and cost per member. It's about program models. I know this has ... before, the difference in program models. Reuben was talking a little bit about it as well. It's bound to be so great in terms of cost structure and what the cost drivers are, and whether or not a program is an intermediary or it is a stand alone AmeriCorps program, such as Citiyear is, has an enormous impact on our costs. It's hard for us to see what all the different models are, but it's probably a lot easier for you to see that and to get some sort of sense of different cost categories. So we would really encourage that that be given some thought, how to identify separate cost structures and possibly relate cost per member requirements to that. We'll try and flesh that out in writing at a later point.

We also wanted to comment on the idea of education award only programs being part of a state portfolio and being mixed in with the rest of the programs, such that cost per

member can come down and that programs that do need more resources, for whatever reason, location or market capacity, funding capacity, can exist and can be maintained while leveraging an education award only program so that the state's overall cost per member is kept at a good level. We understand there's been a lot of conversation about this as well, but we would be very curious to know more about what you all are thinking about that at this time.

We also wanted to note that in terms of selection criteria, certainly there are many ways to consider the value added for a program; you've invested in Citiyear for many years, we have many different kinds of value to bring to the table, and a couple of suggestions, for example, are systems that we've developed to organize member files to deal with timesheets and different sorts of electronic interfaces, things that may be very technical, but can really trip up new programs. We also wanted to sort of put out there that maybe there's a role for organizations like us to serve as mentors to new programs, and that's another kind of value added as criteria in the grant making process or look at it as part of a package of a program's value.

In terms of sustainability and how to improve it, we have some very technical suggestions about the grant ... Jennifer, who's our director of finance.

J. MENDELSON        Hi. We wanted to talk specifically about ...

R. MAUK        Are you each taking four minutes? I'm just asking.

J. MENDELSON        That depends on if you'd let us. We're trying to move swiftly.

R. MAUK        You're doing good. Okay.

J. MENDELSON        We wanted to talk specifically about the fact that sort of by design programs are leaving part of their grant award money on the table each year. As you know, the cost reimbursement contract and the monies assigned to pay ... and benefits are not allowed to be re-budgeted to other categories, so unless you have 100% enrollment and retention throughout the year, it's sort of impossible to spend all you've been awarded. So that just means that ultimately you won't draw all your money and you'll have to raise more money from the private sector, so we question the fact that maybe we should be allowed to re-budget between categories so that programs can be more efficient at using the funds they've been awarded to run their programs.

Additionally, in the current year a new sort of interpretation of the rules has come up around re-enrollment, and so now if the slot is used, even briefly, for a period of a week or two at the beginning of a program year, if the core member drops out of the program you are not able to re-fill that slot, so in fact you lost the money associated with their ... benefits for the entire program year. Since this is the first year we have this rule in place, we're not even sure of what the total effects will be on our ability to yield all our money, but we think it's going to be detrimental. So we would encourage you to take a look at that. I think it arose from the slot shortage initially, but if that is not an issue then it would be beneficial to be able to re-enroll. Also, if you promise a level of service to your service partners and then you have early attrition of the program, then you are unable to deliver on the service partner initiatives that you promised.

The second point we wanted to make around sustainability was on development costs. The push to diversify funding ... to get more from the private sector and foundations is not really addressed in terms of how much it's going to cost the AmeriCorps program, because when we submit budgets to AmeriCorps, none of the development costs are shown, they're in fact hidden, and so we know that this is by OMB rule at the moment but we wonder if there could be some exemption or that we could, in fact, show in a different category how much it's really costing the organizations to diversify and obtain these additional sources of funding. There's also the issue of match and reporting match, and should we report all match that has been raised or in fact limited? Because we have gotten different messages from different state commissions on whether or not we should report all match. This is not on development, of course, but on everything else.

I think that's all we wanted to say about development and then Allison was going to speak to some efficiencies if we still have time.

A. CARPENTER        Do we have another minute, Rosie?

R. MAUK        You've got one more minute between the two of you.

A. CARPENTER        Okay. Program efficiencies, and this is our mutually favorite category that we wanted to talk about. We certainly support all the conversation around making a three-year cycle a reality, such that you can reduce the administrative burden between continuation years. Maybe you want to stagger it in such a way that in years one and two of a program's life with AmeriCorps there is a re-application process, but certainly after that some sort of credibility given for a three-year continuum in the cycle. We have specific thoughts on how you can do that using the progress reports, a budget resubmission, which we'll send in writing.

We also wanted to say that it would be extraordinarily helpful to programs with a start date of July 1, as we have, to make the point at which you can enroll a member subject to the award notification and not the contract date. That comes with our long experience with lots of different commissions, which have all sorts of state driven processes to get a contract awarded, and if we have to wait until that point, it can be as late as November. So if there could be some clarification around the award notification date matching to enrollment that would be good. That, again, will help us with all sustainable. It helps us with planning. It helps us with enrollment, recruitment, keeping commitments, many, many things.

R. MAUK        Okay.

A. CARPENTER        One more? We have plenty of ideas on paperwork reduction. Plenty. We will send all of those in writing how you can streamline the member file process.

D. EISNER        Excellent.

A. CARPENTER        And use Weber's better.

D. EISNER        Excellent input.



A. CARPENTER      Thank you very much.

D. EISNER      Thanks to both of you. That's really strong stuff. We appreciate it.

R. MAUK      Just an FYI, as you're submitting things to us, we're wrestling, of course, with some of the same questions that you raised, and one is, everybody uses the term "intermediary" but we're not sure everybody's using it thinking of it as the same way, so if you think that there's a certain way we should think of intermediaries, we'd love input from anybody on the phone on that.

COORDINATOR      The next statement comes from Leslie Wilcox.

L. WILCOX      Hi. Leslie Wilcox from NASK. As both of you probably know, NASK runs one of the largest ed award only programs in the country. Actually, you just brought up the intermediary issue and NASK considers itself an intermediary organization because we do not employ members at NASK, we have member sites who actually have the core members. So some of the rules and the regulations that we have to abide by don't always fit an intermediary organization such as NASK.

I hadn't planned on addressing that at this time. The two things I wanted to address are: one is the issue of sustainability from the perspective of a large ed awards program and the fact that the ed award programs answer the sustainability issue just by virtue of being an ed awards program. These programs have proved that they could handle sponsoring AmeriCorps members because they're only working on \$400 per FTE and they have to actually pay the stipends and pay for projects and not use AmeriCorps dollars.

The other issue, which you addressed a little bit, was the awarding of the grants. We were just thinking that maybe—well this year we had to start our year two of our three year grant two months late, and consequently a number of members, who have been full-time members, were not eligible to participate this year, which was a shame. Maybe there could be different criteria in place for the continuation grants as to a change in—if there's any change in year two from year one, you do have our progress reports to base some of it on, but we're sending in basically the same information. To me, that would be a faster process for continuing, because we felt like it was ... all over again, not being able to start right after the end of the year one of that two-year cycle. That's all I have.

R. MAUK      Thank you. Absolutely, we think NASK is an intermediary.

D. EISNER      I would just—we're working very, very hard in all these meetings not to be answering questions or commenting on substance, but just a note that we did have difficulty getting these last set of ed awards out within the time that the field was expecting, for a whole host of different reasons. We're working very hard to ensure that doesn't happen again.

L. WILCOX      Thank you.

COORDINATOR      We have our next one coming from George Hubbard.

G. HUBBARD Hello. This is George Hubbard from ... in Michigan. We run a school-based program. I'd like to thank you for the opportunity to give some of our issues today and input a little bit things to think about for the future.

If at all possible, we have a couple of concerns, one in the school-based program, the sooner we can know if we're going to be funded for next year's grant; that would be very helpful, the sooner we can know. That helps us in the recruiting of potential college graduates or high school seniors looking for AmeriCorps opportunities, and so the sooner we know if we're going to be funded for our school-based program, that's great.

D. EISNER Is this an ed award program or a state program or a national direct?

G. HUBBARD It's a state program here in Michigan. The key part is getting our AmeriCorps members ... when the length of our program is. A start up date for us for the school-based program, August 1st appears, in our minds, that it might be a good start up date, because then August 1st we have the month of August to train AmeriCorps members, get them acclimated to what our goals are going to be for the year and our programs, whether it's student mentoring, or service learning, or whatever the programs are going to be. Then the AmeriCorps members are on board, and most of our schools in Michigan start the last week of August, maybe the first day after Labor Day, but then we can get those AmeriCorps members into the schools right when school starts. They've already had their orientation and their training, they're on board, the teachers have a chance to meet with them at the teacher in-service days, and then they're ready to get into the classroom or after school or wherever we're using them in a school facility, and that they're volunteering and working with teachers and students. So that would be helpful to us so that we could start them, get the training out of the way in August and get them into the classrooms in September, sort of hit the ground with their feet running, so to speak, when things are off to a new school year.

That would be real beneficial to us. It's important for those members to start the year at the beginning of the school year, because their services are needed, they need to be integrated right from the start, the first few weeks of school. If not, then it so happens that in the school programs teachers are not always welcoming those AmeriCorps members. They're in the middle of a unit, something started ..., so we have to start members in September or October or even January, that would be disastrous, in our case, because that's partway through the year. Those are the two big issues that we have. I know that creates a problem, possibly, knowing early in the spring to help us recruit and getting members and then not starting until August, but if we don't know if we have the grant until, let's say late June, then it's pretty tough to get them on board, recruited and trained and ready to go when school starts. Starting them after school starts creates some problems for in the classroom.

That would be the two issues of our concern and we'd be asking you to consider for school bases that we could always start them early August.

D. EISNER Thank you very much.

COORDINATOR Sir, we have our next one coming from Judy Miller.

J. MILLER Hi. This is Judy Miller. I'm from Big Brothers, Big Sisters in St. Lucy County and we have an AmeriCorps program. I just wanted to speak to a few issues, and thank you, first, for having this.

The first one is the issue of paraprofessionals in terms of qualifications for recruitment. I'm very concerned that if that requirement goes into place that it will be the death of the program. I feel that when you're looking at a stipend, you have to forgive me, I don't know the exact amount, but I think it's around \$5,240, to ensure that you have a minimum of an A.A. or an A.S. degree is going to be nearly impossible to meet at that level stipend. I would speak, on the other hand, to utilizing a test of some kind, an academic achievement test, to demonstrate that the members have the skills and ability to be able to become a good AmeriCorps member.

Then also, note that there is, and has been, a big push on accountability. We're in a Florida program, a Florida Reach program, and for example, our Mary Matthews, who is the ED in the Florida Reach program, has set up a system of working with Judd Torkensen, who's a researcher out of FSU. They are using a consistent measure starting this year, ... to ensure pre and post test measures on every child that's enrolled; they'll be comparable from one site to another. They're also pulling together a single training pilot with a program called TAILS, which is Tutor Assisted Intensified Learning Strategies.

So between the pre-testing of the members, the training that we're going to be doing, and the accountability that's required for the members to meet their goals, I really believe that we don't need that paraprofessional requirement. Again, as the gentleman who spoke first spoke so eloquently, we have a lot of retirees in our programs who are very well self-educated. They may not have an A.A. or an A.S. degree, but they could compete beautifully on any level with virtually anyone. That's the paraprofessional issue.

R. MAUK      Thank you. Unfortunately, you're at the four minutes. Did you want to add just a couple of endings? I know, time goes fast ... .

J. MILLER      Oh, my goodness. Well, I would just say to sustainability I would hope that you would look to the size and the circumstances of the agency. We are a small agency, relatively speaking, in a small award that is given to us. We've made great progress with sustainability. We have a partnership with the Builders Association and a commitment from the local Children's Services Council to provide our match, but in the end I don't think we really even meet the guidelines for sustainability, and we have more in place than many of the agencies for Florida Reach, so I'd ask that you look at it from a realistic viewpoint as to what any agency can bring forward at this time.

D. EISNER      Thank you very much.

COORDINATOR      Next we have Karen Leventhal.

K. LEVENTHAL      Hello, this is Karen Leventhal. Let me tell you a little bit about my background. I'm a former AmeriCorps Vista and I've been an alumni recruiter for AmeriCorps for the past five years, first at the University of California at Davis and now down in southern California, Los Angeles area. I just came from a career fair and going to do an information session after this afternoon.

D. EISNER      Thank you.

K. LEVENTHAL I actually ... proposal, along with New Mexico commissioner Gary Townsend, you might have seen that. I'm going to talk to some of the issues that I put in that proposal about member recruitment and retention.

One of the things that I want to talk about is some of what I see as the lack of infrastructure supporting members. First, in recruitment, we have, I think two full-time recruiters here in California—actually the entire ten state territory of the Pacific cluster, and a comparable program like Peace Corps, which is I think a third of the size of AmeriCorps, has 20 full-time recruiters in California alone. It shows. I'm going out there and I'm doing information sessions and people don't know what AmeriCorps is and they don't know the differences between AmeriCorps state and national, AmeriCorps Vista, AmeriCorps ..., and I know a lot of that burden is being shifted to the sponsoring organizations and the buzz is that I know that's going to be restricted even more. I think there's something of a mistake there, first, because it's inefficient. You can have all these sponsoring organizations in Los Angeles going to the same school to recruit for their individual program, or you can have a point person like me who can do that and funnel recruits to all the programs in Los Angeles.

Second, I think it's not realistic to expect sponsoring organizations to carry the identity of AmeriCorps. The sponsoring organizations are passionate about their mission in the community, and that's what they know and that's what they're best at, but they can't communicate necessarily what it means to be an AmeriCorps member. I have people who served as AmeriCorps members still coming to my information sessions, having served and having very little idea about what the larger program is. I think it's a shame to think that people are serving as AmeriCorps members and just knowing that they spent a year working for "x" organization but not really knowing what AmeriCorps is. I think there have to be some people out in the field, like myself, communicating the identity of AmeriCorps and that it's an honor, it's a privilege, and what that means.

The other thing I want to talk about is retention. It's hard out there, and there are some clusters out there where I know, particularly in Vista, their retention rates are hovering pretty low, around 25%. I think there needs to be some support while members are in the program. I know that's also been given to ... entirely to sponsoring organizations, and I think that's also not realistic. Sometimes sponsoring organizations do drop the ball, and there's no second line of defense for members, there's nowhere for them to go, there's no one for them to talk to.

There are members out there, I just had another alumni call me the other day, seeing my name, and saying I want to get involved how can I get involved, but there hasn't been any kind of allocation of staff time to help marshal the resources of people like myself, who really do want to be involved and who can help fill the capacity of sponsoring organizations. That's one of the things I really would hope that you would look into is trying to put some infrastructure so that everything is not completely shifted to the sponsoring organizations. There are some skilled people, like myself, with the leaders, other people who can provide support, recruitment, help, that sort of thing.

D. EISNER Thank you very much.

R. MAUK Karen, we'd love to see some of that in writing. It doesn't have to be in a formal way, and we'll take a look at it.

K. LEVENTHAL Great. Thanks.

COORDINATOR      Next comes Sean Demitz.

S. DEMITZ      Hi, this is Sean. I'm from the Utah Conservation Corps, we're an AmeriCorps state program out of the state of Utah. First off, I'd just like to say thank you for this time to let me put some input in from our program. I've already sent in written comments, but I just wanted to give a little bit more off-the-cuff statements about more formal points that I addressed in my letter.

First off, with the match requirement, it really seems, in our case, that AmeriCorps is working as a public/private partnership and trying to squeeze more money out of state, corporate, and non-profit sources, at least at this time. It's very hard for us, being a program that's been around for three years, and we can see it in other programs in Utah, being even harder and harder for programs that are just coming up and thinking about applying for AmeriCorps funds, that would be a little bit discouraging as there was more of an emphasis on trying to get more private money.

The second ... goes along with having an arbitrary time limit for programs. We're a program that has definitely been helped by AmeriCorps programs that have had many years of running AmeriCorps under their belt, and it was really helpful for us getting started and implementing best practices. We're finally at the point where we're turning around and starting to give other programs and potential programs in our state advice on the in's and out's of how to run a successful AmeriCorps program.

As far as, kind of chiming in with the other callers, as far as the grant review process and the timetable, basically all I can add to that is that as long as it's consistent from the corporation and the continuation process, if there's any way to streamline that thing, that would be a lot more helpful for us, just so that we can make more long-term match commitments and service commitments with our partners.

Then the last thing that I have that I didn't include in my letter and I probably should have, is it was mentioned before about the slot, being able to replace slots once a member has left with recruitment and retention issues. Just in my experience with our program and other programs in Utah, when a member leaves and you leave a service partner hanging, that not only sends a bad message to that service partner about your organization, but also about AmeriCorps as a whole, and I really think that it should be looked at, and I'm guessing with the whole enrollment ... of last year that that was something more of a knee-jerk reaction. But I think to make AmeriCorps a better program, I think that should be looked at and changed. That's all I have. Thanks.

R. MAUK      Sean, thank you very much. The one part you said in the middle is exactly why we're doing rules, to try and add some consistency and accountability that you all can count on and we can count on. So thanks for your comments.

COORDINATOR      Next we move to Susan Seno.

S. SENO      Hi. I was just in Boston, but I thought I'd scoop another four minutes.

D. EISNER      Thank you.

R. MAUK      There you go, Susan.

S. Seno            Thanks again for this. You guys must be tired.

R. MAUK           We sleep on airplanes.

S. SENO            That doesn't sound so great. I just wanted to—my concern too is, again, sustainability and conservation programs in general. I think, when I look at what's going on in Maine, where two years ago we had seven programs and I think we're down to one competitive, and I think it's right now one formula program, I'm not sure that that, if the budget of the commissions where they have four staff people or three staff people, but there's fewer and fewer programs, to me there's room to create efficiency there. I think if there was no nine year cap on programs I think we'd still be a really good program to have in the AmeriCorps portfolio.

I think we, in the past, as I said in Boston, we typically have about half a million dollars in partner cash that we bring to the table in order to have between 50 and 60 FTEs, and I think that that's really good for the state of Maine, where there's a lot of rural communities. Again, you get into that push and pull of very urban centered programs versus what goes on in rural states. I think we're a really good program, and programs like us should be supported to continue. As a conservation corps we've been around 20 years, so we've had nine years of AmeriCorps. We're continuing our program in a different way and expanding what we do by trying to incorporate fire safety programs, so we're looking at running ourselves on a small business entrepreneurial model and I think instead of not having AmeriCorps funding, I think we should. We're doing the right things and we have, as one of the previous people said, there's a lot to be said for experience and the evaluation tools we've developed and I think we do a really good job reporting.

So I think you should keep environmental programs. I like the idea that education awards AmeriCorps members can serve up to 3,400 hours for two terms of service, no matter how many times they may serve in the summer. We have a lot of repeat summer folks that really like this program and want to educate themselves with the education awards, which is a really great tool. I think I would join everyone to say that the timing of the grants would be, I think someone brought up a rolling application process, if that's at all possible, or twice a year, so that the early people can get on the early cycle and the later people can get on the later cycle might be worth pursuing as well. I think I'll end there.

D. EISNER        Thank you again.

S. SENO            You're welcome.

COORDINATOR     Next we have Miles Richmond.

M. RICHMOND      Good afternoon. This is Miles Richmond. I'm the vice president of Affiliate Services with the Youth Volunteer Corps of America in Kansas City.

I was going to preface my remarks with a couple of comments that I had seen in print. I think they're becoming more and more clear, and that is that there is going to be some change, it's not going to be business as usual, and therefore some of these questions I think should be addressed as how should this partnership with corporations and us out

here in the field, how should we go about these things rather than should we do them. I think we're going to have to do them because Congress is demanding them.

What I think about sustainability: sustainability, by definition, does not include growth. I think when you look at the issue of sustainability in the programs and how long you want to keep programs in the portfolio, consider their capacity for growth, what they have done in the past, has their program grown, has it remained stagnant, have they increased outputs that reflects an increase in resources through the corporation, or have they been able to maintain level outputs with fewer resources, that's another way to look at efficiency. So, reward success, reward success for those programs in the portfolio that have the proven record, the proven track record and don't restrict their initiative if they go out and try to expand their programs or try some new and innovative ideas.

Again, on sustainability, for us AmeriCorps members have really been a great resource for establishing new affiliated programs. We currently have about 46 across the country, coast to coast and border to border, and many of those are in existence today because of the initial input of AmeriCorps members. So as an agent for growth of a national direct ... organization, AmeriCorps members are a very valuable tool.

Last year's application, for which we are not funded, we've been able to add seven new programs. This year if we are funded we'll be able to add four new programs, all reaching new communities, large, small, rural, urban, and all of these ... needs that our youth volunteers can help alleviate. We can build success. Don't limit programs because they've been in the portfolio for six years, nine years, twelve years, whatever. Keep those successful programs that experience change just for the sake of change, change that comes because the day has arrived that you're going to lose your funding, will create inefficiency and reduced cost effectiveness, which is just the opposite of what everybody wants to achieve.

R. MAUK        Miles, just to tell you here, it's four minutes. Do you have a few more comments?

M. RICHMOND        Very quickly. You've talked about size, programs to be looked at or chosen by size. What do you mean by size, is it budget, is it number of members enrolled? Is it the number of members plus beneficiaries? Please define size for us. Consider again the exponential growth created by AmeriCorps volunteers as they move into volunteer generation. Location, consider the geographic area of the grantees, where they are, who they serve. Location, again, may reflect the ability for communities to come up with match. I don't know how you determine that, maybe you look at income levels, maybe you look at a community's tax base or a county's tax base. I think you should really consider mission, volunteer generation and meeting President Bush's challenge for each American to serve. Those programs that generate volunteers, I see as a definite plus. Thank you for your time. I'm sorry I ran over.

D. EISNER        Thank you very much. I appreciate it. Just a quick note, I think when you were referring to us talking about size, you were actually talking about one of the comments that we received earlier, not something that we said.

M. RICHMOND        Correct. It was taken from the federal register, where you said should you calibrate sustainability ... differences in size. I don't know what you mean by size. Thank you.

R. MAUK        Thanks.

COORDINATOR        Next we have Carol McArthur.

C. MCARTHUR        I'm Carol McArthur and I represent the AmeriCorps Instructional Support team. We are in rural Alabama. We are a ... and we've been in operation for six years. I guess I would like to say that our school system has always exceeded our program match with no significant private sector presence, other than outstanding local community partners and wonderful volunteers.

I strongly feel that you should have a special criteria for rural counties or rural areas such as ours, and just because we've been a long time don't cut us off. We have been very creative. We have changed our focus in many ways over the years. I feel change is always good. We're flexible, that's one thing about AmeriCorps, you must be flexible. I feel a sustained federal investment is a necessity in rural areas.

Alabama communities struggle with low performing schools, with very little local support. My little Butler County always receives an F every school year when we have the state report cards coming out, because we have very little local funding, and we are very typical. We border the Black Belt. You may know that the Black Belt doesn't refer to race, it refers to the rich fertile soil in this area, and we are in a very poor area. Typically, this is where the greatest need is for AmeriCorps members. We are vital to our community, and if we were to be—I don't know what these people would do without us, quite frankly. So I guess another thing I would like for you all to do is to come and visit us. Come and see how we collaborate with all the different programs and federal programs here in this community and how we just work on a shoe string here, but we really get a lot done.

My other thought would be about the paraprofessionals. All of our programs, all of our school sites are in Title 1 schools. We had this little federal program called No Child Left Behind, and so whatever you decide to do about the paraprofessional qualifications, it needs to be coordinated with the educational department, because that's where we are, is in Title 1 schools, and they have very definite guidelines. I feel very much, along with the other panelists that have spoken, about quality of experience and what that gives to these kids. We have kids that will never leave Butler County, and we need people that have rich experiences that can come in and show these kids that there is a world outside of little Butler County. That's really all I had to say. I would invite you folks to come down and see us.

D. EISNER        Thanks very much. I hope we can do that. You're right on the four minute mark. Thank you.

COORDINATOR        Next we have Denise Hubbard.

D. HUBBARD Hi, this is Denise Hubbard. I'm executive director at the United Way and Volunteer Connections in Montcom County, Michigan. There's been a lot of comments that echo my comments, and so I'm just going to focus on one thing, primarily. I really want to reinforce the issue of local support and increasing matches for local requirements.



We are a very, very small agency. We've been able to take advantage of the opportunity presented by AmeriCorps to increase programming in Montcom County, specifically through the AmeriCorps ... program, partly through the Michigan Community Service Commission, and this upcoming year through the Points of Light Foundation. We're also in the process of recruiting a Vista member for the upcoming year.

The programming that's provided by these AmeriCorps members for our agency and our county is invaluable and the programming that we could not do without the federal support for these programs. If we have to increase local support in order to house the programs here it will take time, both to fund raise, it will be a challenge to fund raise for those programs as opposed to the other programming that we're raising money for. It really will significantly reduce or eliminate participation, I think, from really small non-profits, particularly in rural areas, where you may be hoping to get your programming spread to. So my real concern is with any increase in local support for these programs. Thank you for the opportunity to speak to those.

D. EISNER      Thank you very much, Denise.

COORDINATOR      Next we have Mary Matthews.

M. MATTHEWS      Hello, everybody. Can you hear me?

D. EISNER      Yes. Thanks.

M. MATTHEWS      This is Mary Matthews. I've been with AmeriCorps for six years. I'm the state program COORDINATOR for AmeriCorps Florida Reach. We're a multi-site program in Florida, and we're in nine cities throughout Florida. I believe I did hear one of our programs down in St. Lucy voicing their comments.

First of all, thank you very much for letting me speak today. I met Rosie when she was down there. She may remember me. I have two comments to make, and I'll try and be as brief as possible.

The continuation application process: I strongly feel that CNS should delegate more authority to the state commissions in determining the continuation of programs. The state commissions have an advantage, in that they are extremely familiar with the programs within their state, whereas CNS is rather at a disadvantage and I do think you may get a little overwhelmed when you're bombarded in the RFP process. I know we have a wonderful state commission here in Florida and they would definitely be, I think, the right persons to help take the load off of you in that aspect.

My other comment that we feel very strongly about is the proposed executive order requiring members to be paraprofessionals if they're tutoring. There's been some very good comments made about that already, and a couple of points that I haven't heard that I would like to bring out for your consideration. AmeriCorps members, number one, are not employees. They serve as volunteers. We are being mandated to recruit volunteers to help us sustain our services, so if the expectation is that AmeriCorps members be paraprofessionals, then does that mean our volunteers, who are going to sustain our services, would have to be paraprofessionals as well? Just a little thought there.

Plus, we need to consider that our applicants come from many diversified backgrounds. These people, as we said before, may not have the degree but do have experience and aptitude, not just the retirees but even our younger AmeriCorps members. Please consider that one of our main goals is to develop members in the skills they can take with them beyond AmeriCorps. We are supposed to provide them with training. All they need to come in with is an aptitude and a willingness and a desire to do community service. I think that's what we should consider first. Of course, they need to be able to pass some kind of a tutoring test, to test their ability. But to deny these people from being tutors because they're not paraprofessionals would be very unfair and a disservice to our students and our program as a whole. We would like to develop our members so that when they come out maybe then they could actually become a paraprofessional.

That's all I have to say. I appreciate the support of CNS in our program. I feel that we have a very good relationship and we try and model our programs against the guidelines that we get from CNCS and Volunteer Florida. So thank you very much and God bless you all. Good luck with your programs. Over and out.

D. EISNER      Thanks, Mary. I appreciate it.

R. MAUK      It's nice to hear from you, Mary.

M. MATTHEWS      Thanks, Rosie.

COORDINATOR      Next we have Jessica Lentini.

D. RICE      Hi. I'm sorry. This is actually Danny Rice. I'm calling from the After School Corporation in New York City. I'm calling—basically I want to thank you guys for the time, but I just wanted to, I guess, focus a couple of my comments in two areas, one being the requirements on the tutors, and that have been voiced by other callers as well.

But basically many of our members are high school seniors and just don't have that type of experience, but that doesn't make them a poor tutor. I just think it's important, in considering making that a requirement of a paraprofessional, to understand that our tutors come from all walks of life. Many of them are from very poor urban districts, and they want to give back to their communities, and I think that's what AmeriCorps is all about, giving back to their communities, back to their country, and instead of doing something negative with their time, they're signing up with After School Corporation, AmeriCorps program, to give back and to tutor young kids and to provide homework help and academic enrichment. While they may not have that background as a paraprofessional, these young people have made a conscious decision to be a part of a national movement, and I just don't think that we should, in any way, limit who can and can't be an AmeriCorps member, especially in an education-based program.

My other comment is about cutting programs off after a certain amount of time. We serve as intermediaries, and that means for us that basically the impact of our work, we're subcontracting 42 different community-based organizations throughout New York. For example, we've been very successful, this is our fourth year with AmeriCorps, and if we were to be cut off, you wouldn't just cut the After School Corporation off, but you cut off 42 community based organizations and 42 communities. It just doesn't seem to make sense to us that if something's running good, if we're creating a ... corps around the country, we're getting folks excited about community service in their communities,

to put a timeframe on that, because if you yank our tutors out of one community in, let's say ... Brooklyn, who else is going to come in there? So we just really feel strongly that there shouldn't be a timeframe based on performance and the quality of the programs, but those are just two of my comments. I'll just keep it brief. Thank you.

R. MAUK        Danny, thank you very much. We appreciate your time.

COORDINATOR        Sir, at this time I show no more.

D. EISNER        If anyone else would like to make a statement, please press star one.

COORDINATOR        Sir, we do have our next one coming from Jennifer Beard.

J. BEARD        Hello, this is Jen Beard. Can you hear me?

D. EISNER        Yes. Thanks.

J. BEARD        I guess my star one didn't work before. I'm the program director of the Youth Volunteer Corps of Greater Kansas City. We are one of the 46 affiliates of the National YVCA network. We design and implement volunteer and service learning programs for middle school and high school youths in the greater Kansas City metro area. One thing that I wanted to address was the private sector funding for non-profits is extremely competitive in Kansas City. With over 2,000 non-profits that are not churches and a limited number of corporations and foundations from which to draw resources from, national funding from Learn and Serve and also AmeriCorps helps us to leverage those funds by adding to our credibility in our community.

Currently, as the only paid staff member for the local office, my time is spent running the programs, raising funds, supervising team leaders, adult volunteers, local marketing and everything else that needs to be done, and with an annual budget of only \$68,000, it becomes challenging to grow our program beyond what myself and our volunteers can do. If AmeriCorps members were allowed to work on fund raising, this could help enhance some of our existing programs, such as our national partnership with H&R Block ... in order to effectively educate the tax preparers and tax payers, etc., about our program. I can't possibly visit the 100 local area offices on my own. Other opportunities such as special events would be an excellent opportunity for member development, overall sustainability and add value to the agency, and serve not only us but also other agencies. If members were able to raise money for general purposes and not just for projects, they would have a more well rounded view of how our agency runs and also would be a better asset to the non-profit community after their year of service was completed. That's all I have.

D. EISNER        Thank you very much.

J. BEARD        Thanks.

D. EISNER        Is there anybody else, Jesse?

COORDINATOR        Yes, sir. We have the next coming from John Amakini.

J. AMAKINI Hi, David and Rosie. This is John Amakini with the Montana Conservation Corps.

D. EISNER Hi.

R. MAUK Hi.

J. AMAKINI I didn't have a chance to participate in the Seattle hearing, and I know you guys are looking for some specific suggestions, so I hope I have a few here.

D. EISNER Terrific.

J. AMAKINI MCC has been an AmeriCorps program from the very beginning, in 1994. We're heavily invested in AmeriCorps National Service as a priority focus of our program. Thanks again for the variety of venues to give input.

On the question of sustainability, I'd like to promote a definition of sustainability that advances sustainability as a process of increasing things like strong and broad community support, multiple funding sources, those are actually mentioned in the original legislation, also looking at ways of including lasting program impacts, volunteer inclusion, member recruitment and development, all as elements of sustainability, not just duration of the grant.

I think it would be helpful to set some benchmarks that may provide clearer guidance to programs to enhance their sustainability, so we kind of know where we stand and what we need to strive for. I'd encourage the corporation to support the best programs offering the best in needs and service activities, member development and community strengthening. I think through competition rather than arbitrary rules governing program participation at AmeriCorps, will result in higher quality programs.

Next, I'd encourage that the corporation provide incentives that encourage programs to expand and excel, with regard to sustainability. Incentives could include access to more slots, access to venture grants, that was mentioned earlier, for program innovations, flexibility on cost per member, increases on allowable administrative costs, things like that.

I also think it's important to earmark funds to incubate new programs so that these don't have to compete directly against some of the established programs that may have developed the capacity to support large scale programs. Maybe there's a need to differentiate C drafts from continuing drafts, or perhaps increasing formula funds so that states can nurture those programs and allow the more established programs to compete nationally.

With regard to the federal share, I think the concept is really reasonable and we support that. What's unclear is what are the expectations around that? Our corps brings about a one-to-one match and we are a core that is 100% AmeriCorps stipended members, it's not clear to us whether that's good or inadequate, and if we need to be doing better where should we be putting our resources and efforts, into programming or into some new development work? With regard to access to private funds, these are very limited in Montana, both in the private sector, as well as by local government and even our state government. For programs operating in rural areas and in areas of limited access

to private sector, state or local resources, we suggest matching requirements be calibrated to those resources available in the state.

Quickly, about cost per member, as a 100% AmeriCorps program with stipended members, this matter is dear and near to us. We would recommend that the cost per member be tied to increases in member support costs, so that if the corporation increases the living allowance, we would hope that the allowable cost per member would follow that.

Then certainly a strategy to reducing cost per member is the utilization of ed award only slots. We feel that we're able to really dedicate significant resources towards member development, and partly it's because we have the corporation's support for that aspect of our program. If we dedicate more and more of our program towards ed award only slots, I fear that our commitment to fostering the National Service movement will be diluted and that's something the corporation needs to consider. This is a movement of youth development as well as impacting our communities. I think it's most effective when the full support of the corporation is brought to that program.

D. EISNER Thank you very much. I appreciate your coming back this time with those specifics.

J. AMAKINI All right. Well, thanks for taking our comments.

COORDINATOR Next we have James Fournier.

J. FORNIER Hello, this is Jim Fournier from Minneapolis. I've been an AmeriCorps director for ten years with three different programs. I'm concerned about some—well I'll give you my perspective on what I'm reading into some of the questions and some of the background here that I'm uncomfortable with.

One is, AmeriCorps, in the initial legislation, did not expand Vista, that was one option, instead, and Vista is about to pass ... AmeriCorps turned into direct service, which was quite different from Vista, getting things done in the community. If programs are getting things done and there's a learning curve with AmeriCorps and they've built up the expertise and more efficiently can get things done in the community, why phase them out? Why not leave them there as model and those programs helping other programs, as was mentioned?

Also, I think with the federal rule making, I worry about micro managing as a one size fits all and ... a trend to start evolving power to the states. It seems to me it would be easier for the corporation to hold the state commission's ..., because our experience with our state commission has been very positive. It's always helpful and improving programs and being advocates, whereas our experience with some of the federal rule making has caused damage to programs, like the one where you cannot replace members. People have been very polite, I think, in their comments, but I haven't talked to anyone that understands that. What I've seen happen is services have been ceased, relationships with sites have been damaged, because we're not able to replace members that leave, even if they left early in the year. I cannot understand why that makes any difference if we have the budget and if we have the education award available. It seems like there's an example for rural that has caused distrust out there.

Then the cap on per member cost has been squeezing programs, because each year the living allowance of members goes up \$300, which is good, because it's a struggle to survive on the living allowance. Most members have to do part-time jobs. So each year what's available at a program gets squeezed by \$300 more because of the cap and reduction in the cap. There's a philosophy behind that, and some of it, the sustainability, I'm wondering if it comes from the fad among foundations these days, which has been actually in practice failing, where foundations have switched to .. fund start ups and then phase out. It looks very good for the foundation staff and board, for their image by doing this, but what happens is they help a program get started and right when programs are becoming competent and productive and efficient, ...even three years, then they pull money back and say good luck, you should be able to be sustainable, and programs really have to struggle to survive then, and some don't, losing good programs and good staff, kind of like what happened with AmeriCorps last year.

D. EISNER      You're on about five minutes.

J. FORNIER    Okay. But overall my concern is with micro managing and rules that really hurt programs on the ground from getting things done in the community, which is what AmeriCorps is about. Thank you.

D. EISNER      Thank you very much.

R. MAUK        Thanks, Jim.

COORDINATOR      Next we have Katherine Core.

K. CORE        Thank you.

D. EISNER      Jesse, how many more do we have?

COORDINATOR      Sir, besides this one we have one more.

D. EISNER      Thank you.

K. CORE        The AmeriCorps program has a track record of strong accomplishments and we at Notre Dame Mission Volunteers are happy to be part of that success. We very much appreciate the opportunity to participate in this rule making process. So thank you for taking the time to hear our points. Mostly, what I have to say, everybody has already said, so I'll try and cut it short. But it's hard.

These are a few of our recommendations. As you consider program selection criteria, we make the same plea not to set an arbitrary time limit on the number of years an organization can receive AmeriCorps funding. We fully support the idea of a competitive process for grants, but as long as an organization is meeting a national priority, achieving excellent results and presenting a compelling plan for continuation, it seems to us it would be counterproductive to prohibit that organization from competing simply because it had been an AmeriCorps program for a number of years, especially as the president, Congress and the corporations' emphasis on performance and accountability, it makes sense to utilize organizations with a strong track record and the established infrastructure that allows for confidence that the AmeriCorps objectives will be met. So

we, and many other national direct programs, have a solid history of partnering with smaller local faith and community based organizations that do not have the capacity to manage and AmeriCorps grant. By utilizing experienced organizations that continue to demonstrate strong achievements and accountability, the corporation is assured of getting the highest return on its investment.

The second point, we ask you not to adopt a formula that decreases the level of AmeriCorps funding, because we feel that will result in a contraction of our programs reach to disadvantaged children and adults. So really we don't believe a decrease in federal support can result in an increase in private support, only a decrease in our service. The positive is we've been able to go from six full-time volunteers to 260 volunteers, and over the course of the years we've been able to reach more than 70,000 children and adults, so we think that's a great plus and we hope that this wonderful program will continue along the line it's going and we hope to be able to continue to be a significant part of it.

R. MAUK      Thank you so much, ... Thanks for taking the time.

K. CORE      You're welcome. Thanks for all that you do. We're very, very grateful. My rest I'll just send in writing.

R. MAUK      Great. Thank you.

K. CORE      Thanks.

COORDINATOR      Sir, we do have two more. Next we have Krista Bailey.

K. BAILEY      Hello there. This is Krista Bailey. I'm with the Elkhart EnviroCorps program in Elkhart, Indiana. I'm also very appreciative I have a chance to talk. It's been great to be able to finally give some input on how things are planned and taking place. I'm personally been involved with AmeriCorps for nine years, on many levels. I'm an alumni and I've worked for a state commission, and now directing a program. I'm just so excited to be able to provide input finally, so thank you.

R. MAUK      You're welcome.

K. BAILEY      I'm just going to go through some of the questions that were in the federal register, for example, criteria to promote sustainability. I think that's going to be very hard to do in a blanket model because every program is so very different. But maybe working with some general questions, like what is the goal of sustainability for that program, because that's going to vary ... what their needs are and what they're trying to sustain. Are they trying to sustain the AmeriCorps program, which I know in our case we are because we really like the core based model and the kind of rewards that come out of our model for our community, and for the people in the program. I was going to encourage you to not make it too much of a blanket statement ... sustainability, but allow for flexibility with those different kinds of programs.

Regarding the number of years that projects that receive funding, I think that a key thing that you all need to decide, and if you're trying to fund a program or trying to fund a grant, and if it's a program that you want to fund then I don't understand why you'd want to limit the amount of time the funding is offered. I know over the last ten years

that AmeriCorps has been around there's a lot of programs that have just sort of phased themselves out, sort of like a natural selection program, whether it's due to financial burdens or programmatic and management issues, which I think all of us on the call know that this isn't the easiest program to manage, for community issues, and it could be anything, but the ones that have been around for ten years, like ours and several others in our state, they actually have the support systems in place to continue to operate and they make AmeriCorps look good. I don't know why you would want to cut that off. That's a huge resource that would be lost to the field in general. I know that in Indiana we've really worked hard to be mentors for the new programs and continuing to provide quality service and experience for our members and for the community.

As far as promoting grantee sustainability and what kind of support, I guess I'd encourage you to stick with the three year funding cycle and to streamline that as much as possible, so that if you do get a three year grant then you know you've got that and have a minimal reapplication process to go with it. But if you do feel the need to adjust on some sort of sliding scale, what we can be asking for, if you can keep that with that three year cycle, so that you know for this next three years my cost ... is 12,000 or whatever, then I know that and can stick with it. I think that's going to help sustainability in the long run if we're not looking every year.

As far as furthering support and encouraging greater engagement of people in volunteering, I think someone mentioned earlier that we need more recruiters, we need more promotion, and there's a lot more advertising for the Armed Forces and for the Peace Corps than there is for us. I know we get a lot of word out locally and the on line recruiting helps lot, but we need some more people out there talking about what we do, because there's still a lot of people that have never heard of AmeriCorps and don't understand how it works.

R. MAUK        Thank you, Krista. Your story about all the different ways you've been involved in service, we've been hearing a lot of, so thank you for taking the time today. We'll always listen to your input, you know.

K. BAILEY     I'm giving it.

R. MAUK       Thank you.

K. BAILEY        This is great. Thank you.

R. MAUK        We have one more, is that right?

COORDINATOR        Yes, ma'am. We do have Loren Craney.

R. MAUK        Then, I guess that will be our last one. Thanks.

L. CRANEY    Hi, this is Loren Craney. I'm with the Oregon State Service Corps in Oregon. Can you guys hear me?

R. MAUK        We can. Thanks.

L. CRANEY    I want to first of all start off by thanking you guys for making this process open and taking our feedback. I know that it complicates it greatly for you guys, but I



think it means a lot to us to feel involved in the process and to feel heard, and I think we will ultimately probably accept the rules much more knowing that you drew it from our input in the end. So, thank you very much.

A little while ago you asked some questions about what does it mean to be an intermediary organization, and I guess I can speak from our experience because we do define ourselves as an intermediary organization. We place about 50 AmeriCorps members individually at different organizations throughout the state of Oregon. I don't know how much you know about Oregon, but it is primarily a rural state. The Oregon Commission actually identified the need for an intermediary organization to serve in Oregon a few years ago, because the small community and ... organizations were calling them and saying "We want AmeriCorps," but there was no way to bring AmeriCorps to them.

They ultimately started to look for an organization that would host a program like this on a statewide level and they turned to the Oregon Trail chapter of the Red Cross. That is where we are hosted now, at a chapter of the Red Cross that actually traditionally does not serve the entire state, but by hosting this AmeriCorps program does serve the whole state. So we kind of have a process, I would say, that's similar to your grant making process, we actually put out an RFP, trying to publicize it as widely as possible throughout the state and allow any organization to apply to our program for a member.

So I just want to give you some of my thoughts on sustainability, in terms of an intermediary organization, because I kind of think that it might be beneficial to define sustainability for a program like ours differently than you would for potentially another AmeriCorps program.

It is our goal to help our placement sites become sustainable in their projects. Like I said, I feel like in some ways we are trying to be a mini corporation for national and community service on the Oregon level and we are going out into communities and recruiting organizations and finding out about local needs, and then placing AmeriCorps members at those local organizations to address those needs, and then working with those local organizations to encourage them to become sustainable in their own projects. I think it could be hard for us as an organization to become sustainable in terms of financially, with no federal dollars. I think we would be competing with our local placement sites for those local dollars, that's one thing. I think we'd be competing with our hosting organization, the Oregon Trail chapter of the Red Cross for those local dollars as well.

I think that it's something that we are certainly willing to work towards more and look at more, but you just come in with those questions and wonder if we were not able to achieve full sustainability, I feel like the state, and if there were sort of a blanket term limit on how long we can receive federal funding, I worry that the state would really suffer if we had to go away as a result, and for a number of reasons. I don't know if another organization would step up to act as an intermediary, because I think the commission did a lot of research to find an organization that would be willing to take this on in the first place. Plus, we also have had a lot of experience with setting up tons of systems and structures and a few years of building relationships with local communities and getting them familiar with the concept of AmeriCorps and our organization.

D. EISNER

We're over four minutes. Can I ask you a quick question?

L. CRANEY                      Sure.

D. EISNER        I want to make sure I heard you right, that as an intermediary organization you're, in some ways, a sole source vendor from the Oregon State Commission, which is using you to manage a portfolio of grantees. First of all, is that right?

L. CRANEY        I believe that is right. We place AmeriCorps members individually at different organizations throughout the state. They can serve in a number of the program issue areas.

D. EISNER        Then the second thing I think I want to make sure I heard you say right is that you enforce sustainability requirements on the sub-grantees, which I assume, and correct me if I'm wrong, means that they only have access to—the individual organizations with projects only have access to those AmeriCorps numbers for a certain period of time.

L. CRANEY        I would say that that's how I'm encouraging you to define sustainability for intermediary organizations. I wouldn't say, we're a pretty new program, we will be going into our fourth year if we receive funding, so we haven't yet implemented that, but we are looking at something like that, and we certainly have other things, like we expect programs to grow or change their positions over time, so we are looking at becoming more—saying hey, this is a certain number of years, how will you build over a three year period, let's say, towards sustainability.

D. EISNER        I just wanted to clarify our understanding.

L. CRANEY        I do have one suggestion as well, because I understand that you don't necessarily just want to hear tons of feedback, you also want ideas.

R. MAUK            Do you mind if we ask you if you'd put that in writing to us, just to be kind of fair to everybody's time.

L. CRANEY        Sure. I have sent it in writing.

R. MAUK            Perfect.

D. EISNER        Thank you very much.

L. CRANEY        You're welcome.

D. EISNER        Jesse, is there anybody else?

COORDINATOR        I show no more at this time, sir.

D. EISNER        Well, then we're going to wrap it up, which is actually fortunate because Rosie and I are almost late to catch a plane to Dallas, where we'll have our last rule making meeting, public meeting, tomorrow. Then finally on April 5th at 1:00 p.m. ET, we'll have our final rule making conference call. Following that, we're going to continue to accept comments in writing and e-mail, although up until the 5th I think it's safe to say that we're not going to have any predisposition toward any potential solution. From

the 5th we are going to start writing, working internally, to begin to develop our draft guidelines, so anyone that's looking to submit comments, the sooner the better. We'll still, again, be taking them after the 5th but we'll have less and less flexibility.

The rest of our schedule is, hopefully we'll be able to get something drafted that we share it with OMB, and we will work on the draft. The draft will then be made public and we will go through a 60-day public comment period, in which we will also have calls and meetings. We haven't crafted that exactly, but we'll at least be taking input in writing, and that will be a less flexible input period. After those 60 days, we'll take those comments, compile them and then issue final rules, again, hopefully in time for the '05 grant cycle.

On behalf of everyone in the corporation, thanks to everyone for participating, both in terms of listening and educating yourselves about the process and the ideas, and of course to the folks that shared their comments. We learned a lot. Okay, we're going to sign off.

R. MAUK      Thanks, everybody.

D. EISNER    Thanks, everyone.

R. MAUK      Bye.

D. EISNER    Bye.

COORDINATOR      Thank you all for joining today's conference call and have a nice day.